

AMENDED IN SENATE JUNE 19, 2001

AMENDED IN ASSEMBLY MAY 14, 2001

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

ASSEMBLY BILL

No. 69

Introduced by Assembly Member Wright
(Coauthor: Assembly Member Robert Pacheco)
(Coauthor: Senators Alarcon and Murray)

December 13, 2000

~~An act to amend Section 12078 of the Government Code, relating to environmental quality. An act to add Section 9601.5 to the Public Utilities Code, relating to electricity.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 69, as amended, Wright. ~~Environmental quality~~ *Electricity: governmental entities in Los Angeles County: contracts.*

Existing law prohibits a city or municipally owned electric utility from selling electric power to the retail customers of a public utility unless the city or municipally owned electric utility agrees to let the public utility make sales of electric power to its retail customers. Existing law requires that a customer of a public utility that purchases electricity through a direct transaction contract pay certain generation-related transition charges.

This bill would permit specified governmental entities that are served by the Southern California Edison Company within Los Angeles County to purchase electricity for use in those areas from the Los Angeles Department of Water and Power. The bill would require that the electricity be used only for facilities owned or leased by a governmental

entity that are used for governmental purposes. The bill would prohibit reselling the electricity. The bill would not require that reciprocity of electrical sales be provided to the Southern California Edison Company. The bill would exempt the sales from specified generation-related transition charges.

~~Existing law establishes the Governor's Clean Energy GREEN TEAM, which provides assistance to persons proposing to construct powerplants.~~

~~This bill would require the GREEN TEAM to make the repowering of existing powerplants a top priority, and would require it to ensure that any expedited repowering is subject to conditions that ensure a reduction in the environmental impacts of the facility. The bill would also require the GREEN TEAM to encourage regulatory agencies to promote and accelerate the repowering of existing powerplants within their existing authority.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~yes~~—no. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 ~~SECTION 1. —(a) The Legislature hereby finds and declares~~
- 2 ~~SECTION 1. The Legislature finds and declares all of the~~
- 3 ~~following:~~
- 4 ~~(a) The ability of local agencies to secure stable and affordable~~
- 5 ~~power is necessary to ensure that those agencies can provide~~
- 6 ~~essential services such as health and public safety.~~
- 7 ~~(b) The reality of rolling blackouts and higher electric costs for~~
- 8 ~~those areas of local agencies served by investor-owned utilities~~
- 9 ~~requires the state to assist local agencies.~~
- 10 ~~(c) In some parts of the state there are local agencies in which~~
- 11 ~~parts of the geographical area served by the local agency is served~~
- 12 ~~by an investor-owned utility and the remaining parts are served by~~
- 13 ~~a publicly owned utility that has surplus electrical generating~~
- 14 ~~capacity.~~
- 15 ~~(d) Allowing those local agencies to buy more of their~~
- 16 ~~electricity from the publicly owned utility would reduce demand on~~
- 17 ~~the investor-owned utility and help ensure reliable and affordable~~
- 18 ~~electric power for the local agency.~~
- 19 ~~SEC. 2. Section 9601.5 is added to the Public Utilities Code,~~
- 20 ~~to read:~~



1 9601.5. (a) (1) *This section is only applicable to the Los*
2 *Angeles Department of Water and Power and the governmental*
3 *entities described in subdivision (h).*

4 (2) *For purposes of this section, a “contract” means a direct*
5 *transaction as defined in Section 331 entered into pursuant to this*
6 *section by a governmental entity described in subdivision (h) and*
7 *the Los Angeles Department of Water and Power.*

8 (b) *Notwithstanding any other provision of law, a*
9 *governmental entity may enter into a contract for electricity to be*
10 *delivered for use within the geographical boundaries of the County*
11 *of Los Angeles in areas served by the Southern California Edison*
12 *Company. The electricity purchased may only be used for facilities*
13 *owned or leased by the governmental entity and used to perform*
14 *governmental services. The electricity may not be resold by the*
15 *governmental entity.*

16 (c) *This section may not be interpreted to require either a*
17 *governmental entity or the Los Angeles Department of Water and*
18 *Power to enter into a contract.*

19 (d) *The Southern California Edison Company shall deliver the*
20 *electricity provided by the Los Angeles Department of Water and*
21 *Power under a contract entered into pursuant to this section. The*
22 *delivery service shall be provided at the rates, terms, and*
23 *conditions approved by the commission and applicable to*
24 *customers who have entered into a direct transaction. Section 9602*
25 *and subdivisions (a) and (c) of Section 9601 are not applicable to*
26 *the parties of a contract entered into pursuant to this section.*

27 (e) *If there is a legal challenge to a contract by the Southern*
28 *California Edison Company based on a theory of vested rights*
29 *under former Section 19 of Article XI of the California*
30 *Constitution, as it read on January 1, 1911, and a court determines*
31 *that there is a vested right affected by the contract which requires*
32 *payment to the Southern California Edison Company by either the*
33 *governmental entity or the Los Angeles Department of Water and*
34 *Power for the right to sell power in the service areas covered by*
35 *the contract, then the party which would have to make such*
36 *payment may rescind the contract.*

37 (f) *A contract may not permit the Southern California Edison*
38 *Company to have a reciprocal right to sell electricity within the*
39 *service area of the Los Angeles Department of Water and Power.*
40 *The fact of a contract does not give the Southern California Edison*

1 *Company a legal right to sell electricity to the retail customers of*
2 *the Los Angeles Department of Water and Power. Subdivision (c)*
3 *of Section 9601 is not applicable to a contract entered into*
4 *pursuant to this section.*

5 *(g) Upon termination of a contract entered into pursuant to this*
6 *section, the default provider of power shall be the Southern*
7 *California Edison Company. Customers as described in*
8 *subdivision (h) who return to Southern California Edison*
9 *Company for procurement service shall be subject to the same*
10 *terms and conditions as are applicable to other returning direct*
11 *access customers as authorized by the commission pursuant to this*
12 *code or any other applicable provision of law.*

13 *(h) This section is only applicable to the following*
14 *governmental entities:*

15 *(1) The County of Los Angeles.*

16 *(2) The Los Angeles Unified School District.*

17 *(3) The Los Angeles County Metropolitan Transportation*
18 *Authority.*

19 *(4) The Los Angeles County Office of Education.*

20 *(5) The Los Angeles Community College District.*

21 *SEC. 3. The Legislature finds and declares that, because of the*
22 *unique circumstances applicable only to the County of Los*
23 *Angeles, a statute of general applicability cannot be enacted*
24 *within the meaning of subdivision (b) of Section 16 of Article IV*
25 *of the California Constitution. Therefore, this special statute is*
26 *necessary.*

27 *all of the following:*

28 ~~*(1) The state has an abundance of aging fossil-fuel*~~
29 ~~*powerplants.*~~

30 ~~*(2) New technologies exist that are more efficient and that*~~
31 ~~*provide superior protection to the environment.*~~

32 ~~*(3) These new technologies can substantially reduce air*~~
33 ~~*emissions and other pollutants emitted by aging powerplants.*~~

34 ~~*(4) Repowering aging powerplants helps minimize the*~~
35 ~~*environmental damage caused by those powerplants, and*~~
36 ~~*conserves land by utilizing existing powerplants rather than*~~
37 ~~*constructing new plants.*~~

38 ~~*(5) Repowering aging powerplants could save residents of the*~~
39 ~~*state as much as \$1.5 billion per year by reducing wholesale*~~
40 ~~*electric costs.*~~

1 ~~(b) It is, therefore, the intent of the Legislature to encourage the~~
2 ~~repowering of existing powerplants in a manner that accomplishes~~
3 ~~all of the following:~~

4 ~~(1) Subjects the repowering to conditions that would ensure~~
5 ~~reductions in the air emissions and water discharge impacts of~~
6 ~~those powerplants.~~

7 ~~(2) Increases the power production of those powerplants,~~
8 ~~without compromising existing environmental protections.~~

9 ~~(3) Yields a net improvement in environmental quality.~~

10 ~~SEC. 2. Section 12078 of the Government Code is amended~~
11 ~~to read:~~

12 ~~12078. (a) There is hereby established the Governor's Clean~~
13 ~~Energy GREEN TEAM, which shall consist of a chairperson and~~
14 ~~not more than 15 members as follows:~~

15 ~~(1) The Chair of the Electricity Oversight Board.~~

16 ~~(2) The President of the California Public Utilities~~
17 ~~Commission.~~

18 ~~(3) The Chair of the Energy Resources Conservation and~~
19 ~~Development Commission.~~

20 ~~(4) The Secretary for Environmental Protection.~~

21 ~~(5) The Secretary of the Resources Agency.~~

22 ~~(6) The Secretary of the Trade and Commerce Agency.~~

23 ~~(7) The Director of the Governor's Office of Planning and~~
24 ~~Research.~~

25 ~~(8) Representatives from the United States Environmental~~
26 ~~Protection Agency, the United States Fish and Wildlife Service,~~
27 ~~and other affected federal agencies appointed by the Governor.~~

28 ~~(9) Representatives of local and regional agencies, including,~~
29 ~~but not limited to, air pollution control districts and air quality~~
30 ~~management districts appointed by the Governor.~~

31 ~~(b) Prior to January 1, 2002, the GREEN TEAM shall do all~~
32 ~~of the following:~~

33 ~~(1) Compile and, upon request, make available to persons~~
34 ~~proposing to construct powerplants, all available guidance~~
35 ~~documents and other information on the environmental effects~~
36 ~~associated with powerplants proposed to be certified pursuant to~~
37 ~~Division 15 (commencing with Section 25000) of the Public~~
38 ~~Resources Code, and including state-of-the-art and best available~~
39 ~~control technologies and air emissions offsets that could be used~~
40 ~~to mitigate those environmental effects.~~

~~(2) Upon request, provide assistance to persons proposing to construct powerplants in obtaining essential inputs, including, but not limited to, natural gas supply, emission offsets, and necessary water supply.~~

~~(3) Upon request, provide assistance to persons proposing to construct powerplants pursuant to Chapter 6 (commencing with Section 25500) of Division 15 of the Public Resources Code in identifying the environmental effects of those powerplants and any actions the person may take to mitigate those effects.~~

~~(4) Upon request, provide assistance to persons proposing to construct powerplants in working with local governments in ensuring that local permits, land use authorizations, and other approvals made at the local level are undertaken in the most expeditious manner feasible without compromising public participation or environmental protection.~~

~~(5) Develop recommendations for low- or zero-interest financing programs for renewable energy, including distributed renewable energy for state and nonprofit corporations.~~

~~(c) The GREEN TEAM shall do all of the following:~~

~~(1) Make the expedited repowering of existing powerplants in the state a top priority consistent with ensuring that those plants operate in a manner that lessens their impact on the environment.~~

~~(2) Encourage all regulatory agencies in the state with jurisdiction over those powerplants to take all actions within their respective authority to promote and accelerate the repowering of existing powerplants and to do so in a manner that lessens their impact on the environment.~~

~~(d) This section shall remain in effect only until January 1, 2004, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2004, deletes or extends that date.~~